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SIPDIS

STATE FOR PM/DTCC - BLUE LANTERN COORDINATOR

SIPDIS

E.O. 12958: N/A

TAGS: KOMC ETTC ES

SUBJECT: BLUE LANTERN END-USE CHECK ON HELICA S.A. DE C.V.

REF: A) SECSTATE 87816

¶1. On July 5, 2007, Emboff visited the business office of Helicopteros de Centroamerica, S.A. de C.V.(Helica), to conduct a blue lantern end-use check as requested in ref. A. Helica is located at Ilopango Airport, Ilopango, El Salvador. The owner and President of Helica is Mr. Rogelio Pena. Mr. Pena founded Helica in 1991 but had previously initiated helicopter operations in El Salvador in 1987 with a USAID/CEL contract for the reconstruction of the electric grid, using a Bell 212 helicopter.

History

¶2. In 1991 Helica was founded and signed a three year contract with the United Nations Observer Mission in El Salvador (ONUSAL) for the transportation of personnel. Helica has several other international operations, creating Helica del Peru in 1992, Helicol in Colombia in 1994, and signing a contract in 1993 with the Timberland West Coast Company of Auckland, New Zealand for the transportation of helicopters. In 1996 Helica became the representative of Robinson, a U.S. helicopter producer, and in 1998 began operating a school of aeronautical instruction. In 1999 Helica opened an aeronautical maintenance center for helicopters. In 2007, the company obtained legal certification as the only School of Aeronautical Instruction for helicopters in El Salvador.

Business Structure

¶3. The company now sells and exclusively distributes all variations of Robinson Models R22 and R44 helicopters and operates an authorized, certified helicopter maintenance center to service Civil Aviation Authority helicopters. Helica also manages the helicopter school of aeronautical instruction, provides instruction for obtaining private helicopter licenses, and offers air taxi services.

You can find the Helica web page at
<http://www.helicaelsalvador.com/>.

Legal Documentation

¶4. Helica provided Emboff proper documentation verifying that they are legally registered to operate in El Salvador. Currently, "The Law for the Control and Regulation of Guns, Ammunitions, Explosives and Similar Articles" does not require the registration of helicopter traders at the Ministry of Defense nor the registration of their products. Thus, they are only required to incorporate as a business and to be registered at the National Registry Center. We are sending scanned copies of both documents via email, plus a copy of the Robinson Helicopter Company Authorization given to Helica as a Dealership and Service Center for their products. Helica is member of the American Chamber of Commerce of El Salvador (AMCHAM) and of the Chamber of Commerce of El Salvador (CAMARASAL).

Customer Base

15. The core of Helica's business is helicopter maintenance and overhaul services, as they have only sold 25 helicopters since 1996.

Four of those Helicopters have been sold first to Salvadoran customers and then resold internationally, one has been acquired by a U.S. buyer and the other three by New Zealand buyers. All the rest are in use and remain in El Salvador. Of those, they have sold five helicopters to Calvopesca El Salvador, a tuna fishing company with whom they have a maintenance contract, and the rest to private customers. In addition, they have two new helicopters ready to be shipped to New Zealand.

Business Facilities

16. Helica is located at the Ilopango Airport, inside an area controlled by the armed forces and the police. Their offices and installations appear to be in order. They have a central administrative building with four employees and the President, Mr. Pena, and 14 employees total. Around the building are hangars where the helicopter maintenance center is located. Several helicopters receiving overhauls were visible, as well as the boxes containing the new helicopters ready to be sent to New Zealand.

The Purpose of the Request to Register as a Broker

17. The objective of registering as a broker with the Department's Office of Defense Trade Controls Compliance is to win a joint contract with DynCorp International LLC, Maintenance and Technical Support Services, a U.S. company, to provide local maintenance and overhaul services to the Salvadoran Air Force helicopter fleet. The Salvadoran Air Force is receiving a U.S. donation to renovate and provide maintenance to the Salvadoran helicopter fleet which will soon go out for bidding. We are also sending by email a copy of the nondisclosure agreement MTSS-NDA-07-45 signed by Helica and DynCorp.

18. Comment: Mr. Rogelio Pena has been working with helicopters for years and is well known to Embassy officials from when he worked during the war with USAID to provide maintenance and repair services by helicopter to the electric grid. He provided emboss with all the proper legal documentation to operate the business and everything appears to be in order. Post believes Helica is qualified to register as a broker with the Department in their efforts to win a joint contract with DynCorp to provide services to the Salvadoran Air Force. End comment.

Glazer